

PROPERTY PRACTICE QUESTIONS

QUESTION 23

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Topic: Real Property

Sub-topics: Deed Recording

Type: Essay

Difficulty: Easy

Time: 30 minutes

Victor owned a house at 1234 15th Street in Lubbock, Texas. On February 14, 2006, Victor sold his house to Laura. Laura was not planning on moving into the house for another six months. Victor, who was not the most honest individual on this planet, realized that he could make more money by selling the same house twice. Victor followed through with his brilliant idea and on April 16, 2006, sold the same house to Mary. At the time Mary bought the house, she had no idea that it was already sold because the house looked empty and had a “for sale” sign in front of it. After making the sale, Victor left the U.S. for an unknown foreign destination.

Laura finally got around to recording her deed on April 25, 2006. Mary, who liked to keep all of her personal and business affairs in order, recorded her deed to the house on April 29, 2006. Soon after recording her deed, Mary gave the house as a present to her younger sister Kathy, because Kathy was planning on going to Texas Tech University for her undergraduate degree. A week later, Kathy recorded the deed in her own name.

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In July 2006, Laura came to clean up the house so she could start moving in. Laura was astonished when Kathy informed her that she was the new owner of the house and that Laura had no right to be there. Laura is now suing Mary and Kathy, stating that she is the rightful owner of the house because she bought it and recorded the deed to it first. Mary responds that she, Mary, should win because Texas follows the pure notice approach. Kathy argues that she should be protected because Mary was a bona fide purchaser.

Who should win and why? Explain your answer fully.